GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1440
ANSWERED ON:03.03.2000
PERFORMANCE OF SMALL SAVING SCHEMES
NAMDEO HARBAJI DIWATHE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have reviewed the performance of saving schemes operated through Postal Department during each of the last three years;

(b) if so, the details thereof, scheme-wise and State-wise alongwith the changes/restructuring of the schemes effected/ under consideration; and

(c) the details of modifications proposed in the schemes to achieve the increased savings rate and mobilisation of resources recognised for development purposes ? ANSWER ( )

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
( ) SHRI BALASAHEB VIKHE PATIL

(a) to (c) A statement is laid on the Table of the House.

STATEMENT AS REFFERED IN REPLY TO THE LOK SABHA UNSTARRED QUESTION NO. 1440 FOR ANSWER ON 3RD MARCH, 2000 REGARDING PERFORMANCE OF SMALL SAVINGS SCHEMES
(a), (b) & (c). Yes, Sir. The small savings and Public Provident Fund Schemes are reviewed from time to time for the country as a whole. The collections are growing consistently in the last few years.
Major changes initiated after the review are as under :

(i) The ceilings of deposits in respect of Post Office Monthly Income Account and Post Office Savings Account schemes have been enhanced.

(ii) It has been decided to allow Farmers` Cooperatives, Labour Cooperatives and Self Help Groups to invest in National Savings Certificate (VIII Issue) and Kisan Vikas Patra schemes.

(iii) It has been decided to simplify the procedure of payment of commission to various categories of small savings agents by paying them the amount of commission `due to them for the deposits mobilised through them` at source at the time of deposit of their collections itself.

(iv) The Indira Vikas Patra Scheme has been discontinued w.e.f. 16.7.1999.

(v) Amendments in the Post Office Savings Bank General Rules, 1981, Kisan Vikas Patra Rules, 1988 and National Savings Certificate (VIII Issue) Rules, 1989 have been effected to enhance the powers of various postal authorities for expeditious settlement of the deceased claims cases.

(vi) Interest rates on certain small savings schemes have been revised w.e.f. 1.1.99 and 15.1.2000 and the interest rate on Public Provident Fund has been revised w.e.f. 15.1.2000 in order to align them with the overall interest rate structure in the country.
Suitable measures are taken from time to time for continued and enhanced mobilisation of resources. Small savings schemes offer attractive returns, considerable tax incentives, easy liquidity and accessibility. These schemes are operated through a network of over 1.5 lakh post offices and also branches of public sector banks. Over 5 lakh small savings agents make these schemes available at the door steps of the investors through out the year. In addition publicity campaigns and training programmes for agents, State Government officials and public are organised by National Savings Organisation throughout the country.